

**WILSON READY
TO ESTABLISH
MEXICO PEACE**

**Lansing Will Submit
Plan to South
Americans.**

**CONFERENCE SET
FOR TO-MORROW**

**U. S. Proposes to Organize
Government and Guar-
antee Stability.**

WILLING TO USE FORCE

**Obstinate Carranza Only Factor
Considered as Bar to Suc-
cessful Conclusion.**

[From The Tribune Bureau.]

Washington, Aug. 3.—Secretary of State Lansing will lay before the South American diplomats who will confer with him on Thursday a comprehensive plan for the creation of a provisional government in Mexico City to carry out all the reforms that General Carranza and General Villa have been fighting for.

Should this plan meet with the approval of the South Americans, it will be put into effect at once, and will be followed by the restoration of diplomatic relations with Mexico by this government. The South American countries represented at the conference will then recognize the new government.

President Wilson in his statement of June 2 warned Carranza and Villa that unless they put a speedy end to their differences the United States would be compelled to lend its active moral support to some man or group who would lead the country out of chaos. It is along these latter lines that Secretary Lansing's plan for a provisional government in Mexico is framed.

May Recognize Carranza.

As outlined here, the question of the selection of five men by the conference to put the provisional government into effect will be discussed. These men in turn are to select a provisional President. It is understood that he will be some one who is agreeable to the Constitutionalists.

There was some talk to-night that the conference might go so far as to approve a plan by which Carranza would be recognized as provisional President. This, however, was explained as a possibility only if no other way were possible to put an end to the warfare in Mexico.

The provisional President thus selected, however, would hold office only until a constitutional election could be held in all Mexican citizens. There are several other details of the plan, such as the declaration of amnesty to all foreigners guilty of political offenses during the civil war in Mexico.

Carranza's Obstinate Recalled.

Considerable doubt was expressed that General Carranza would agree to any plan which would mean his elimination. It was pointed out that at the peace conference at Niagara Falls last year he steadfastly refused to send a delegate to meet the mediators. Even after the American delegates had insisted on the naming of some one for provisional President, Carranza refused to take part in the conference.

Osborne Charges Plotters Falsified Convict Speech

"Somebody Spreading Lies About Me," Says Warden—Prisoners Threaten His Foes if He Is Removed from Sing Sing.

Warden Thomas Mott Osborne of Sing Sing denied yesterday that he had made an address to the prisoners telling them that he expected to be forced out of office, but would be back in eight or nine days. He said he told them that he neither expected to resign nor to be ousted. He attributed, he said, the giving out of the falsified version of his speech to the work of enemies as a part of a plot to bring about an irreconcilable misunderstanding between himself and John B. Riley, Superintendent of Prisons.

"Somebody is spreading these lies about me," he said. "There is a deliberate purpose to misrepresent my administration. As soon as I read the false account of my remarks I sent a telegram to Mr. Riley repudiating them. From first to last the story was a damned lie. It was atrocious. Such things create a feeling of unrest among the boys here."

Never Criticized Riley.

"I said absolutely nothing that could be twisted into what appears in that story. It bears the stamp of some one trying to put me in a false position. I shall positively not engage in this morning because of the presence here of Secretary of State Lansing to-day regarding the Mexican situation and other foreign questions. The President is handling his communications with Secretary Lansing personally and is keeping his own counsel regarding his study and the State Department. Mr. Wilson alone and he writes his replies and his memoranda for the State Department on his own typewriter."

The President got to work late this morning because of the presence here of Secretary of the Treasury McAdoo and Mrs. McAdoo, but after they left, not long before noon for their summer home at North Haven, Mr. Wilson's study and spent several hours answering correspondence and applying himself to official business.

Mr. McAdoo said that his visit had been merely social and that he had no important business with President Wilson.

The Secretary declared that he was devoting much time to studying the shipping question and conducting the administration during the next session of Congress.

"The Democratic party is pledged to provide an adequate merchant marine for the United States," said Mr. McAdoo, "and in my opinion no time should be lost in taking action."

Although the Secretary has made no definite plans for his return to Washington, it was said that he probably would remain here another week.

25 LIVES LOST IN CLOUDBURST IN ERIE, PENN.

Millions of Dollars' Damage Done as Great Storm Sweeps City.

**DARKNESS ADDS
TO FLOOD TERROR**

Sixty-Mile Gale Lashes Atlantic Coast—Vessels Wrecked and Shore Property Damaged.

Erie, Penn., Aug. 3.—Twenty-five lives lost, as estimated by the police, millions of dollars in property damage, and the city in total darkness, is the result of a cloudburst soon after 6 o'clock to-night that culminated in a flood which inundated a large section of the city.

Caring for Sufferers.

Three hundred flood sufferers are housed in the national guard armory. Children who have been separated from parents and parents frantically searching for children are huddled together in a pitiable plight.

The Erie Dry Goods Company, a large department store, has opened its doors and is distributing clothing to the flood sufferers. The Board of Commerce has started a relief fund.

About two hundred persons are housed in the City Rescue Mission, and hospitals and other institutions have opened their doors to the distressed. It was estimated at midnight that two thousand persons were homeless.

The heavy precipitation caused dams south of the city to burst, letting out a flood of water that filled the main business streets to a depth of five feet, and in some sections reaching to the second story windows of dwelling houses. Among the first plants to go out of commission was the Erie County Electric Company, which supplied the city with light. Then "The Erie Dispatch," a morning newspaper, whose building adjoins the electric light plant, was flooded, and all idea of getting out a morning paper was abandoned until midnight, when the staff moved to the plant of "The Erie Times."

In the meantime, the first bulletin of the flood was sent to the outside world by the Associated Press operator, who waded in water up to his armpits to the Western Union Telegraph office, a distance of five blocks, and sent out his story of the flood.

"Telephone wires were put out of commission by the flooding of conduits, and it was several hours before crippled telegraph communication could be partially restored."

Advance on Warsaw Lags; Ammunition Low; Rain Aids Russians

**POINTS IN BRITAIN'S THREE NOTES
JUSTIFYING METHODS OF BLOCKADE**

Great Britain is "unable to accept" the American contention that when trade of the enemy passes through a neutral port and thence overland to the enemy it must not be molested.

In the Civil War the United States was forced to alter the application of the accepted rules of blockade to stop the commerce of the South. Great Britain contends for the same right.

If a blockade can be made effective only by extending it to a neutral coast, such extension is in harmony with the principle of blockade. If there is no precedent in international law for the method of Great Britain's blockade, it is because similar circumstances have never before arisen.

The only immutable principle applying to the right of blockade is that a belligerent "is entitled to cut off by effective means the sea-borne commerce of his enemy."

Great Britain has abided by international law in subjecting vessels to visit and search, and in taking them into ports when it was lawful to detain them, submitting the question of condemnation of cargoes and ships to the prize courts.

In view of violations of law committed by Germany, "it seems neither reasonable nor just that Great Britain should be pressed to abandon the rights claimed" by her, and to allow goods from Germany to pass through waters patrolled by British warships.

The British Orders in Council are not at variance with accepted principles of international law.

After exhausting the legal remedies offered in the British courts, the United States is free to take the decisions before an international tribunal for arbitration.

Mackensen Pierces Defender's Lines at Two Points.

**NORTH OF CHOLM
AND AT LECZNA**

**Germans Defeated at Orz
and Surrounded, Says
Innsbruck Report.**

AUSTRIANS WIN FIGHT

Operations in Courland and Near Lomza Menace Russian Army's Main Supply Lines.

London, Aug. 3.—The stubborn resistance which the Russians are offering to the Austro-Germans and the slowness with which the forces of the invaders have been able to move during the last few days have led to the belief that the German supply of ammunition is beginning to feel the effect of the protracted struggle and that Russia may yet save the Polish capital. Wet weather, too, may have impeded the invaders.

Previous experience with German tactics, however, has been that a temporary slowing down is followed soon by greater efforts, and when Field Marshal von Mackensen has concluded his present operations in the southeast of Poland, it is expected, it is expected, will renew his heavy blow on the Narew front.

For the moment, therefore, the greatest interest attaches to the Southeast, where, according to to-night's Berlin official report, the Germans have extended their bridgehead positions south of Warsaw; the Austrians have gained a decisive success to the west of Ivankograd, and von Mackensen, after meeting with considerable resistance, has broken the Russian line east of Lomza and north of Cholm. An Innsbruck dispatch to Geneva, however, says that rain is hindering the German advance in this section.

Successes have also been gained by the Germans in Courland and in the direction of Lomza. To the minds of many military men the Courland operations, which General von Blomke is directing, are fraught with the greatest danger to the Russians, as a big victory for the Germans in this region would enable them to move across the railways which feed the Russian armies. Further west they are already near Poniawiesch, which is the junction of two branch lines of the Vilna-Petrograd Railway.

"In the direction of Riga," says an official statement issued to-night in Petrograd, "our troops withdrew beyond the River Eyau."

Geneva (via Paris), Aug. 3.—A dispatch to the "Tribune de Geneve" from Innsbruck says:

"A large force of Germans from Komorova and Mazowieckie to Brok in the region between the Narew and the Bug are making an advance on the Narew, to a distance of twenty miles distant. Heavy fighting is ensuing, as the Russians are making a firm stand. The Germans already have lost 20,000 men. Considerable numbers of Russian troops, however, have been captured. The Germans, defeated at Orz, are retreating, surrounded by the Russians."

AMERICAN SHIP TAKEN AS PRIZE

**German Submarine Puts
Officer Aboard—British
Had Also Taken Her.**

Berlin, Aug. 3. (By Wireless to Sayville, N. Y.). Among the items given out to-day for publication by the Overseas News Agency was the following: "The American ship Pass of Balmaha has arrived at Cuxhaven having on board one non-commissioned officer of a German submarine boat which had stopped the ship and placed the officer on her as a prize crew. While the officer was asleep the captain of Pass of Balmaha changed his course toward the British coast, but when the officer awakened he compelled the captain of the ship to obey his orders and put into Cuxhaven."

"On investigation at Cuxhaven it was discovered that a British prize crew of one officer and four men were on board, hiding below. The bark was bound with cotton for Archangel, Russia. She sailed from New York on June 24."

The Pass of Balmaha is a vessel of 1,571 tons. She is owned by the Pass of Balmaha Shipping Company, of Boston. The ship was built in 1888, at Glasgow. On her voyage to Archangel she was commanded by Captain Scott.

It is contended that it is necessary for Great Britain to blockade the neutral countries adjacent to Germany, as their ports are in fact the natural ports of the German Empire.

A point in the British note that caused much speculation among officials is that in which it is held that Great Britain was forced to take stringent measures "in view of the shocking violation of the rules and principles of civilized warfare" of which Germany has been guilty.

BRITISH GAIN THE GALLIOLI CREST

**Carry Ridge That Threat-
ened Safety of Aus-
trian Trenches.**

London, Aug. 3.—The crest of the ridge in the Gallipoli Peninsula has been gained by British troops, and the position of the British in the Dardanelles has been improved, according to a statement given out to-day by the Official Press Bureau.

The text of the statement follows: "General Sir Ian Hamilton reports on August 2 that on the right position held by the Australian and New Zealand corps a successful attack was carried out against a network of Turkish trenches which was beginning to threaten the safety of an advanced post called Tasmanian Post."

"The attack consisted of a bombardment of neighboring works and the explosion of three mines under sections of a trench. These sections were occupied at once."

"Another section was rushed with the bayonet. The Turks did not counter attack. At least seventy Turks were killed in and around the works. The result has been to gain the crest of the ridge, and it has materially improved our position in that section of the line."

Constantinople, Aug. 3.—The Turkish War Department to-day gave out the following official statement: "An attempt made by the enemy to capture our trench near Ari Burnu on July 31 was repulsed with heavy losses."

ALLIES BOMBARD CITY OF STRASSBURG

**French and British Aerial Flo-
tilla Drop 25 Shells on the
Capital of Alsace.**

Paris, Aug. 3.—A flotilla of French and British aeroplanes to-day flew over the German city of Strassburg and dropped twenty-five bombs, according to a Havas dispatch from Geneva. The extent of the damage caused by the explosion of the missiles has not yet been ascertained. Strassburg, the capital of Alsace, lies eighty miles southeast of the German fortress of Metz and forty miles from the French frontier.

The reply of the United States probably will not be dispatched for a fortnight. Secretary Lansing had a note to Great Britain prepared and ready to send at the time of the sending of the last note to Germany, but the arrival of the British notes delayed its sending. While the argument of the United States is not materially altered by the official changes in the document as originally prepared.

Great Britain again will be told that the United States cannot recognize the right of blockade as applied to neutral ports, and that, in view of the illegality of such a blockade, it cannot recognize the jurisdiction of the British prize courts and superior courts.

Officials believe that the controversy has been reduced to two main points, on which the two governments are apparently diametrically opposed. One of these is the question as to whether the British blockade does in fact correspond with the accepted principles of international law, and is merely a new application of those principles. The other is whether this government is justified in protesting diplomatically before the prize and superior courts have had an opportunity to pass on the cases.

Great Britain's reply was made public here to-night and in London simultaneously by agreement between the two governments. With the notes was made public also the correspondence between the two governments.

The English Market

The Tribune is receiving by cable from London a series of financial articles by

FRANCIS W. HIRST,
Editor of the London "Economist,"

who briefly presents the salient developments of the English markets as an expert sees them. You will find it profitable to follow these articles printed on the Financial Page—Page 10 this morning.

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